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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
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LEXINGTON PRECISION CORP., et al.,	:	Case No. 08-11153 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DEBTORS' MOTION TO ADJOURN THE
HEARING ON THE APPROVAL THE PROPOSED DISCLOSURE
STATEMENT AND TO VACATE THE DISCOVERY SCHEDULE
WITH RESPECT TO CONFIRMATION OF THE SECOND AMENDED PLAN**

TO THE HONORABLE MARTIN GLENN,
UNITED STATES BANKRUPTCY JUDGE:

Lexington Precision Corporation ("Lexington Precision") and its wholly-owned subsidiary, Lexington Rubber Group, Inc. ("Lexington Rubber Group") and together with Lexington Precision, the "Debtors", as debtors and debtors in possession, respectfully represent:

Background

1. On April 1, 2008 (the "Commencement Date"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to rule 1015(b) of the

Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On April 1, 2008, the Debtors retained Epiq Bankruptcy Solutions LLC (“Epiq”) as their claims and noticing agent.

3. On April 11, 2008, the United States Trustee for the Southern District of New York (“U.S. Trustee”) appointed the statutory creditors’ committee (the “Creditors’ Committee”).

4. On December 17, 2008, the Debtors filed their second amended joint plan of reorganization under chapter 11 of the Bankruptcy Code (as may be further amended or modified, the “Second Amended Plan”) and the disclosure statement therefor (as may be further revised, the “Proposed Disclosure Statement”) [Docket No. 488].

5. At a status conference conducted on the record on December 9, 2008, the Court approved a schedule between the Debtors and the Creditors’ Committee regarding discovery issues related to the confirmation of the Second Amended Plan (the “Discovery Schedule”).

6. The Debtors’ prepetition lenders filed objections to the approval of the Proposed Disclosure Statement on November 26, 2008 [Docket No. 472] and December 17, 2008 [Docket No. 484]. The Creditors’ Committee filed objections to the approval of the Disclosure Statement on December 16, 2008 [Docket No. 482] and December 18, 2008 [Docket No. 493]. The labor union representing employees at the Debtors’ Vienna, Ohio facility filed what it styled as an objection to the approval of the Proposed Disclosure Statement on December

17, 2008 [Docket No. 487]. There were no other objections to the Proposed Disclosure Statement.

7. The hearing on the Proposed Disclosure Statement was originally scheduled on December 19, 2008. On December 18, 2008, the Debtors filed a notice of adjournment of the hearing on the approval of the Proposed Disclosure Statement and the Court entered an order, dated December 18, 2008 [Docket No. 496], scheduling the hearing on Proposed Disclosure Statement for January 7, 2009.

Jurisdiction

8. This Court has jurisdiction to consider and determine this Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

9. Pursuant to sections 105 and 1125 of the Bankruptcy Code and Bankruptcy Rule 2002, the Debtors request that the Court adjourn the hearing on the approval of the Proposed Disclosure Statement to February 9, 2009 at 10:00 a.m. (Prevailing Eastern Time) and vacate the Discovery Schedule pending rescheduling of a hearing to consider confirmation of the Second Amended Plan.

The Adjournment of the Hearing on the Proposed Disclosure Statement is Appropriate

10. At the outset of these chapter 11 cases in April 2008, the Debtors hoped to accomplish a speedy balance sheet restructuring and did not anticipate the need to conduct any operational restructuring of their businesses. Over the past several months, however, there have been dramatic changes in the overall economy and in the automobile manufacturing industry in particular. Although they have worked diligently to keep these chapter 11 cases on the original

schedule, it has now become clear to the Debtors that an operational restructuring of the connector seals business, which serves the Original Equipment Manufacturer (“OEM”) automobile market, is necessary in order to maximize the value of the Debtors for all constituencies and to facilitate the financing for the Debtors’ exit from chapter 11.

11. During the past several months the Debtors have been actively engaged in negotiations to obtain exit financing and discussions with potential exit lenders are continuing. The credit markets, however, remain constricted and the Debtors have not yet been able to obtain a commitment for exit financing sufficient to fund the distributions proposed in the Second Amended Plan and provide adequate working capital for the Debtors’ ongoing operations. Based on discussions with prospective exit lenders, the Debtors have determined that the most certain path to obtaining financing from a new lender is to complete the restructuring of the connector seals business. As discussed at pp. 21-22 and 78-79 of the Proposed Disclosure Statement, the Debtors intend to consolidate the connector seals business, which currently is housed in the Vienna, Ohio, facility, with operations in other locations. The consolidation will occur over the next several months.

12. The Debtors seek this adjournment reluctantly because it will require adjournment of the confirmation hearing, tentatively scheduled for February 9, 2009, and will make it unlikely that a plan can be confirmed and become effective by the February 25, 2009 expiration of the cash collateral order. After considering all options, however, the Debtors have determined that the estates will be better served by deferring the solicitation process, and its costs, until there is more certainty about the source and amount of an exit financing facility. The Debtors intend to pursue a consensual extension of the cash collateral order through negotiations with their prepetition secured lenders; barring a consensual resolution, the Debtors will move the

Court for appropriate relief. The Debtors also intend to move for a further extension of exclusivity.

13. The Debtors are actively pursuing all available sources of financing for the Second Amended Plan and believe that, even absent dramatic improvements in either the credit markets or the economy, viable sources of financing will be available once the Debtors can demonstrate significant further progress on the consolidation of the connector seals business. Accordingly, the Debtors request that the hearing on approval of the disclosure statement be rescheduled for February 9, 2009, the date currently reserved for the confirmation hearing, and that a further status conference be scheduled approximately one week before that date to determine whether a further adjournment is appropriate.

Notice

14. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion by e-mail has been provided to (i) the United States Trustee for the Southern District of New York, (ii) the attorneys for the agents for the Debtors' prepetition lenders, (iii) the attorneys for the Debtors' postpetition lenders, and (iv) the attorneys for the Committee. The Debtors submit that no other or further notice need be provided.

WHEREFORE the Debtors respectfully requests the entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: January 5, 2009
New York, New York

/s/ Richard P. Krasnow

Richard P. Krasnow
Adam P. Storchak

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
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LEXINGTON PRECISION CORP., <u>et al.</u>,	:
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Debtors.	:
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Chapter 11 Case No.
08-11153 (MG)
(Jointly Administered)

**ORDER ADJOURNING THE HEARING ON THE
APPROVAL THE PROPOSED DISCLOSURE STATEMENT
AND VACATING THE DISCOVERY SCHEDULE WITH
RESPECT TO CONFIRMATION OF THE SECOND AMNEDED PLAN**

Upon the motion, dated January 5, 2008 (the “Motion”) of Lexington Precision Corporation and Lexington Rubber Group, Inc. (collectively, the “Debtors”), pursuant to sections 105 and 1125 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2002 of the Federal Rules of Bankruptcy Procedure, to adjourn the hearing (the “Hearing”) on the approval of the proposed disclosure statement (the “Disclosure Statement”) and vacate the discovery schedule relating to the confirmation of the second amended plan (the “Second Amended Plan”), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion by e-mail having been provided to (i) the Official Committee of Unsecured Creditors, (ii) the Agents for the Prepetition Senior Lenders, (iii) the United States

Trustee, and (iv) the Debtor's postpetition lenders; the Court finds cause exists to adjourn the Hearing, it is hereby:

ORDERED that a Hearing the approval of the Disclosure Statement will be held before the Honorable Martin Glenn, United States Bankruptcy Judge, on **February 9, 2009 at 2:00 p.m. (prevailing Eastern Time)**, at the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, or as soon thereafter as counsel may be heard; and it is further

ORDERED that the Debtors shall serve notice of the Hearing by sending a copy of this Order and a notice of hearing via (i) email, (ii) fax, or (iii) first class regular mail, by **January 7, 2009** to): (a) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Paul Schwartzberg); (b) the attorneys for the Debtors' prepetition lenders, Waller, Landsden, Dortch & Davis LLP, 511 Union Street, Suite 2700, Nashville, Tennessee, 37219 (Attn: John C. Tishler); (c) the attorneys for the official Creditors' Committee, Andrews Kurth LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Paul Silverstein); (d) the attorneys for Debtors' postpetition lenders, O'Melveny & Meyers, LLP, Times Square Tower, 7 Times Square, New York, New York 10036 (Attn: Gerald Bender); and (e) all other parties entitled to notice of the Motion under Bankruptcy Rule 2002(b); and it is further

ORDERED that the discovery schedule approved by the Court is hereby vacated and the Debtors and the Committee shall adjust the discovery schedule in accordance with the date of the hearing on the confirmation of the Second Amended Plan.

Dated: January __, 2009
New York, New York

UNITED STATES BANKRUPTCY JUDGE